



African-American Consumers: Tapping Into An Affluent Marketplace

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Agenda

- **What is Affluent?**
- **Identifying Some Opportunities**
- **Local Market Differences**
- **Review**
- **Q&A**

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What is Affluent?

Adj: Having an abundant supply of money or possessions of value

Source: Dictionary.com

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Suggested Luxury and Affluent Measures

- **Automotive**
 - Luxury Vehicle Ownership
 - Luxury Makes/Model
- **Beverage**
 - Wines purchased
 - Amount Spent on wine
- **Cellular/Wireless**
 - Amount spent on monthly bill
- **Clothing/Apparel/Department stores**
 - Apparel items purchased & amount Spent
 - Clothing Stores shopped
 - Department Stores shopped
- **Education**
 - Highest degree attained
 - Plan To Go Back School
- **Entertainment**
 - Events attended
- **Financial**
 - Income
 - Investments have
 - Credit cards
 - Professionals specialist
- **Home Ownership**
 - Market Value of owned home
 - Home Improvement
- **Restaurant**
 - Upscale
- **Shopping Centers/Malls**
- **Specialty Stores**
- **Travel**
 - Domestic Personal Trips
 - Foreign Personal trips
 - Cruises

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Identifying the Opportunities In Automotive

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Test Your Knowledge

Which Market Has The Most African-American Domestic Luxury Vehicle Owners?

Chicago
DMA



Atlanta DMA



New York
DMA



Detroit
DMA



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Automotive: Luxury Vehicle Ownership

Top 10 DMA's for Black Domestic Luxury Vehicle Owners

Chicago DMA	85,000
Atlanta DMA	81,700
Detroit DMA	77,800
New York DMA	67,900
Washington, D.C. DMA	56,200
Philadelphia DMA	45,000
Memphis DMA	43,700
Houston DMA	43,200
Los Angeles DMA	43,000



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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Test Your Knowledge

Which Market Has The Most African-American Foreign Luxury Vehicle Owners?

Washington, DC
DMA ?

Atlanta DMA ?

Los Angeles
DMA ?

New York
DMA ?

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Automotive: Luxury Vehicle Ownership

Top 10 DMA's for Black Foreign Luxury Vehicle Owners

New York DMA	180,500
Los Angeles DMA	125,100
Washington, D.C. DMA	107,300
Atlanta DMA	60,700
Philadelphia DMA	44,900
Miami/Ft. Lauderdale DMA	44,500
Norfolk/Portsmouth/Newport News DMA	42,900
Detroit DMA	39,400
San Francisco/Oakland/San Jose DMA	39,000



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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Automotive: Luxury Vehicle Ownership



Any owned/leased domestic luxury vehicle	1,369,300
Any owned/leased foreign luxury vehicle	1,345,600

10% of African-Americans in the US own/lease a domestic or foreign luxury vehicle....

...That's more than are 2.6 million African-Americans luxury vehicle owners!

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.

Automotive: Luxury Vehicle Ownership



28% of African-American domestic/foreign luxury vehicle owners own/lease a Cadillac.

African-American Adults 18+ are 36% more likely own/lease a Cadillac than the average US adult.

LUXURY BRANDS OWNED/LEASED

Cadillac	793,200
Lincoln	458,400
Acura	343,600
Mercedes	318,700
Volvo	276,700
BMW	261,200
Lexus	219,600

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.

Automotive: Growth opportunities



African-American Adults 18+ are 74% more likely plan to buy/lease a new or used luxury vehicle than the average US adult.

PLAN TO BUY IN THE NEXT YEAR

Used luxury vehicle (any size)	597,100
New luxury vehicle (any size)	595,700
Lease a luxury vehicle (any size)	130,400

1 out of 5 New/Used/Lease luxury vehicle purchasers in the US in the next year are African-American.

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Automotive: Is it Worth the Investment?

African-American luxury vehicle buyers plan to spend an estimated \$6.74 billion on those purchases in the next year.

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Source: Scarborough USA+ Release 2, 2004.African-American

Adults 18+



Automotive: Is it Worth the Investment?

African-American used luxury vehicle buyers plan to spend more than \$3 billion on those purchases in the next year.

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Source: Scarborough USA+ Release 2, 2004.African-American

Adults 18+



Automotive: Is it Worth the Investment?

African-American that plan to lease a luxury vehicle will spend more than an estimated \$1 billion on those vehicle purchases in the next year.

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Identifying the Opportunities In Cellular/Wireless

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Test Your Knowledge

Where are African-Americans Who Spent \$150+ on Monthly Cellular Bill are More Likely to Live?

Chicago
DMA



Atlanta DMA



New York
DMA




Detroit
DMA



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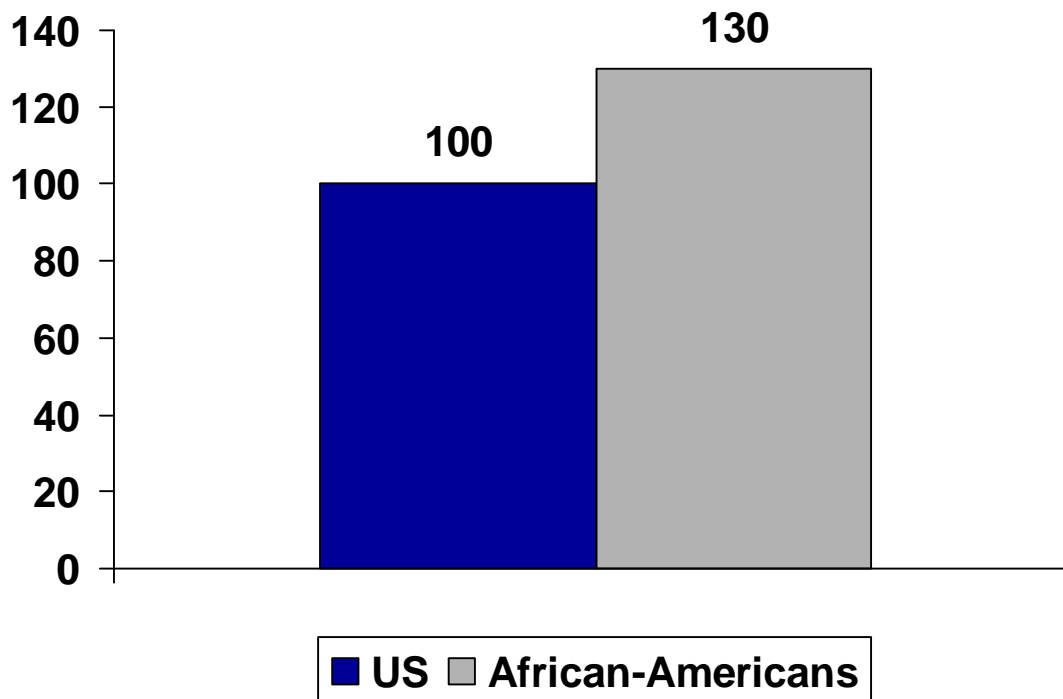
Where are African-Americans Who Spent \$150+ on Monthly Cellular Bill More Likely to Live?

Chicago DMA	85,100	
Atlanta DMA	81,700	
Detroit DMA	77,800	
New York DMA	67,900	
Washington, D.C. DMA	56,200	
Philadelphia DMA	45,300	
Memphis DMA	43,700	
Houston DMA	43,200	
Los Angeles DMA	43,000	
Cleveland/Akron DMA	39,000	

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.

Cellular/Wireless: Can You Hear Me Now?



African-American Adults 18+ are 30% more likely to have spent \$150 or more on a monthly cellular phone bill than the US adult.

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Cellular/Wireless: Can You Hear Me Now?

African-Americans spent more than \$966 million in the past month on cellular phone bills

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Identifying the Opportunities In Sports Apparel

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Test Your Knowledge

What is the most popular brand of sports apparel purchased by African-Americans in the past year?

Reebok



Nike



Adidas



Starter



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What is the most popular brand of sports apparel purchased by African-Americans in the past year?

Nike	9,163,600	
Reebok	5,519,300	
Adidas	3,571,700	
Starter Sportswear	1,580,600	
Champion	1,416,500	
Russell Athletic	1,284,200	
Fila USA	1,106,800	
Wilson Sporting Goods	921,600	
Spalding Sports	646,300	
Logo Athletic	328,000	

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Sports Apparel.....Athletic Shoes

11,086,125 African-American Adults personally purchased athletic shoes in the past year.

That's 43.05% of African-American Adults!

African-American Adults have spent more than \$1.6 billion on athletic shoes in the past year.

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Sports Apparel.....Women's Clothing

10,218,635 African-American Adults personally purchased women's casual/athletic sportswear in the past year.

That's 40.1% of African-American Adults!

African-American Adults have spent more than \$2.2 billion on women's casual/athletic sportswear in the past year.

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Sports Apparel.....Men's Clothing

8,937,0305 African-American Adults personally purchased
Men's casual clothing/sportswear in the past year.

That's more than 1 out 3 of African-American Adults!

African-American Adults have spent more than \$1.9 billion on
Men's casual/athletic sportswear in the past year.

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Sports Apparel...Other Athletic Clothing

5,204,600 African-American Adults personally purchased some other athletic clothing in the past year.

That's 1 out 5 of African-American Adults!

African-American Adults have spent more than \$895 million on some other athletic sportswear in the past year.

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Identifying the Opportunities In Wine

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African-American Wineries are taking the lead in tapping into African-American Wine consumption.



“The Association of African American Vintners is an organization, whose mission is to increase the quality of wine communications to all, with special emphasis on African Americans. “

-www.aaavinters.org

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African-American Wineries:



AAAV Members

- A Color of Grape, Wine Tours
- African-American Coyote Chateau
- Esterlina Winery and Vineyards
- Marc Norwood Winery & Vineyards, Inc
- Poston Crest Vineyard
- Sharp Cellars
- Stover Oaks Vineyard & Winery
- Sugarleaf Vineyards
- Vision Cellars

“There are two more African-American wineries in California: Brown Estate and Rideau.”

- “African-Americans and wine”, Linwood Slayton 2/0/05, Woodonwine.com,

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African-American wine consumption has become so popular that there are wine tasting groups designed to help educate and expose members to a variety of wines.

African American Wine Tasting Society, Inc.
Changing The Face Of Wine™

The African-American Wine Tasting Society (www.aawts.org) is one such organization with chapters in nine major cities.

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Test Your Knowledge

Which Market has the Most African-Americans Wine Consumers?

Washington, DC
DMA ?

Chicago DMA ?


Philadelphia
DMA ?

New York
DMA ?

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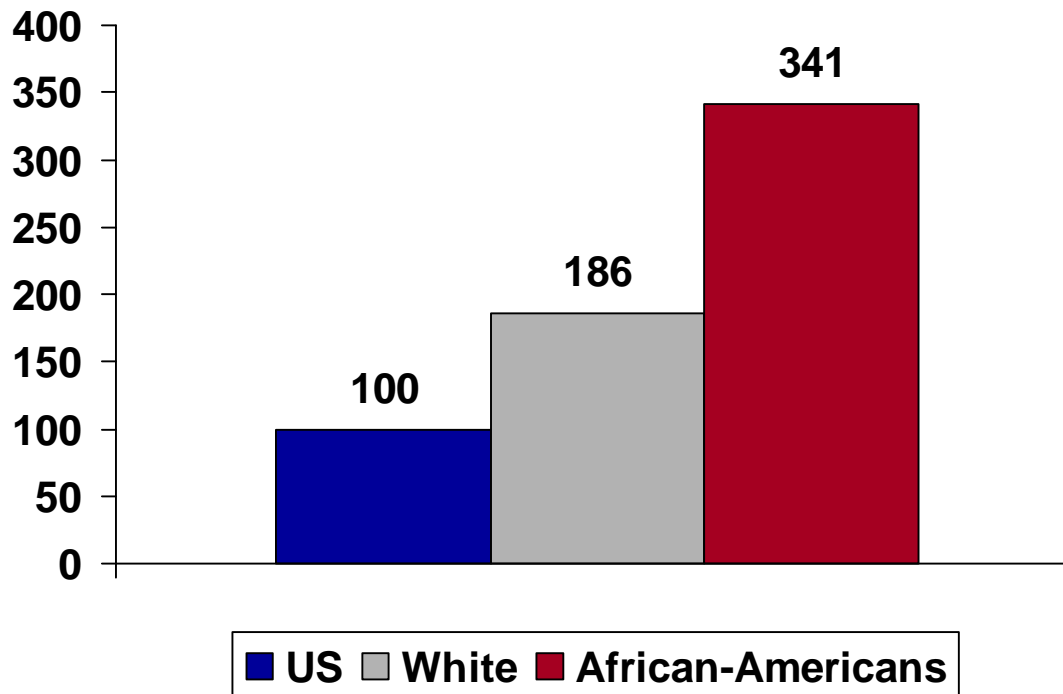
Which Market has the Most African-Americans Wine Consumers?

New York DMA	770,300	
Washington, D.C. DMA	318,300	
Chicago DMA	312,900	
Philadelphia DMA	298,300	
Atlanta DMA	281,600	
Los Angeles DMA	273,800	
Detroit DMA	237,200	
Miami/Ft. Lauderdale DMA	137,100	
San Francisco/Oakland/San Jose DMA	131,800	
Houston DMA	127,100	

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.

Wine



Compared to the average adult, African-American Wine Drinkers are 241% more likely to have usually spent \$20 or more on a bottle of store bought wine.

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.

Wine: Is it Worth the Investment?



African-American Adults 18+ usually spend more than \$4.4 million on store bought bottles of wine.

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Local Market Differences:

The great benefit to using Scarborough is the ability to focus on the lifestyles and behaviors of local consumers...

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Local Market Differences: African-American Luxury Vehicle Owners

<u>MARKET</u>	<u>INDEX</u>
Norfolk/Portsmouth/Newport News DMA	383
Memphis DMA	377
Raleigh/Durham DMA	299
Washington, D.C. DMA	289
Atlanta DMA	277
Birmingham DMA	267
Richmond/Petersburg DMA	241
New Orleans DMA	194
Baltimore DMA	175
Los Angeles DMA	112

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Source: Scarborough USA+ Release 2, 2004. Adults 18+.



Local Market Differences: African-American Luxury Vehicle Buyers

<u>MARKET</u>	<u>INDEX</u>
Memphis DMA	705
New Orleans DMA	382
Baltimore DMA	371
Richmond/Petersburg DMA	251
Atlanta DMA	246
Washington, D.C. DMA	191
Norfolk/Portsmouth/Newport News DMA	167
Raleigh/Durham DMA	153
Birmingham DMA	115
Los Angeles DMA	61

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Source: Scarborough USA+ Release 2, 2004.African-American

Adults 18+



Local Market Differences: African-American Sports Apparel Buyers

<u>MARKET</u>	<u>INDEX</u>
Memphis DMA	338
Richmond/Petersburg DMA	257
New Orleans DMA	254
Norfolk/Portsmouth/Newport News DMA	253
Raleigh/Durham DMA	230
Washington, D.C. DMA	230
Atlanta DMA	207
Baltimore DMA	200
Birmingham DMA	195
Los Angeles DMA	65

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Source: Scarborough USA+ Release 2, 2004.African-American

Adults 18+



Local Market Differences: African-American Wine Buyers

<u>MARKET</u>	<u>INDEX</u>
Washington, D.C. DMA	258
New Orleans DMA	255
Atlanta DMA	246
Richmond/Petersburg DMA	242
Baltimore DMA	197
Norfolk/Portsmouth/Newport News DMA	197
Birmingham DMA	179
Memphis DMA	169
Raleigh/Durham DMA	165
Los Angeles DMA	80

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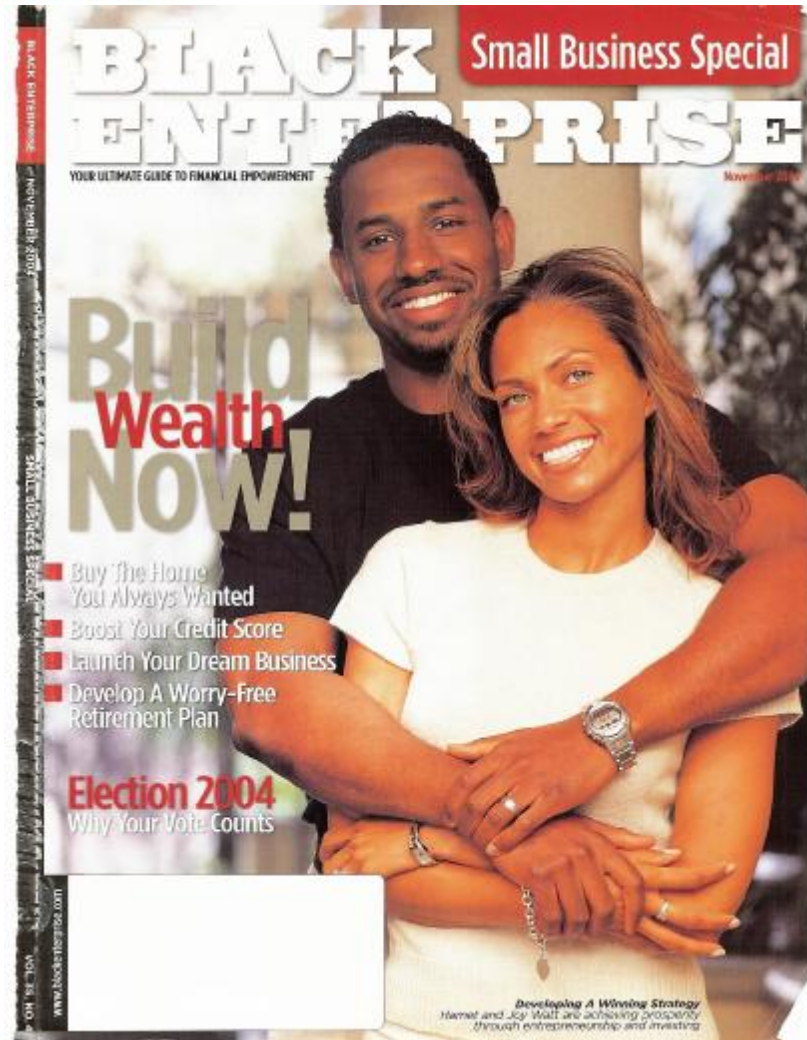
Source: Scarborough USA+ Release 2, 2004.African-American

Adults 18+



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Responding To The Marketplace



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Responding To The Marketplace

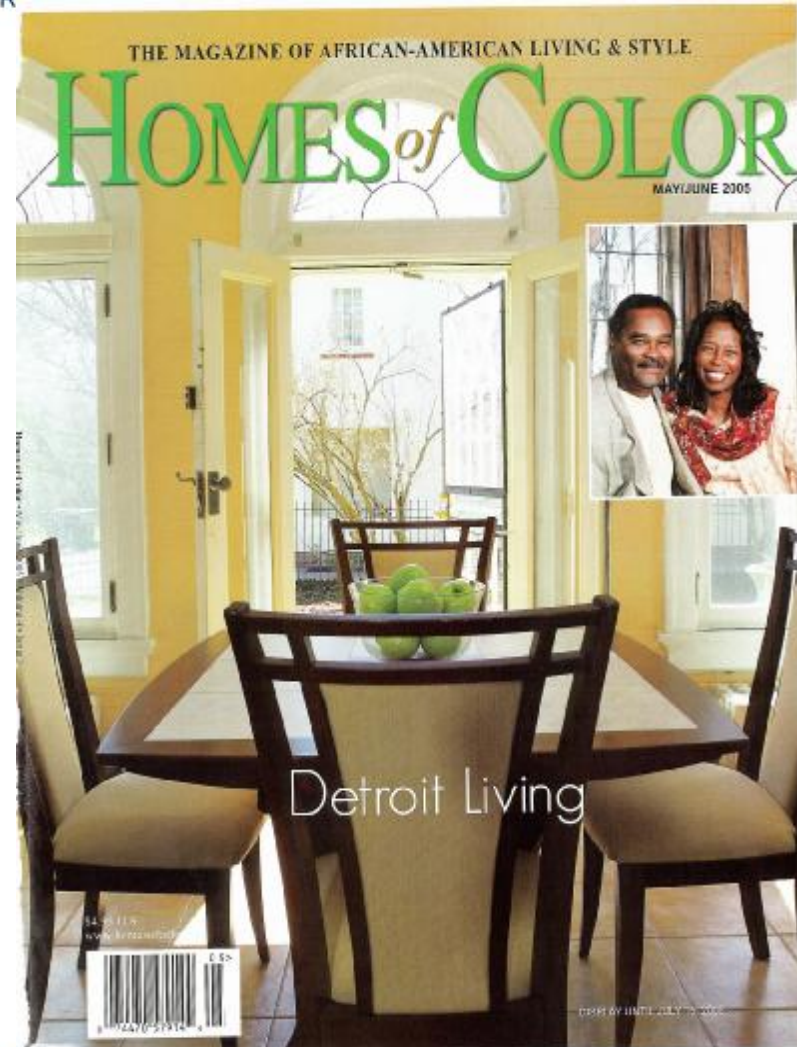


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Responding To The Marketplace



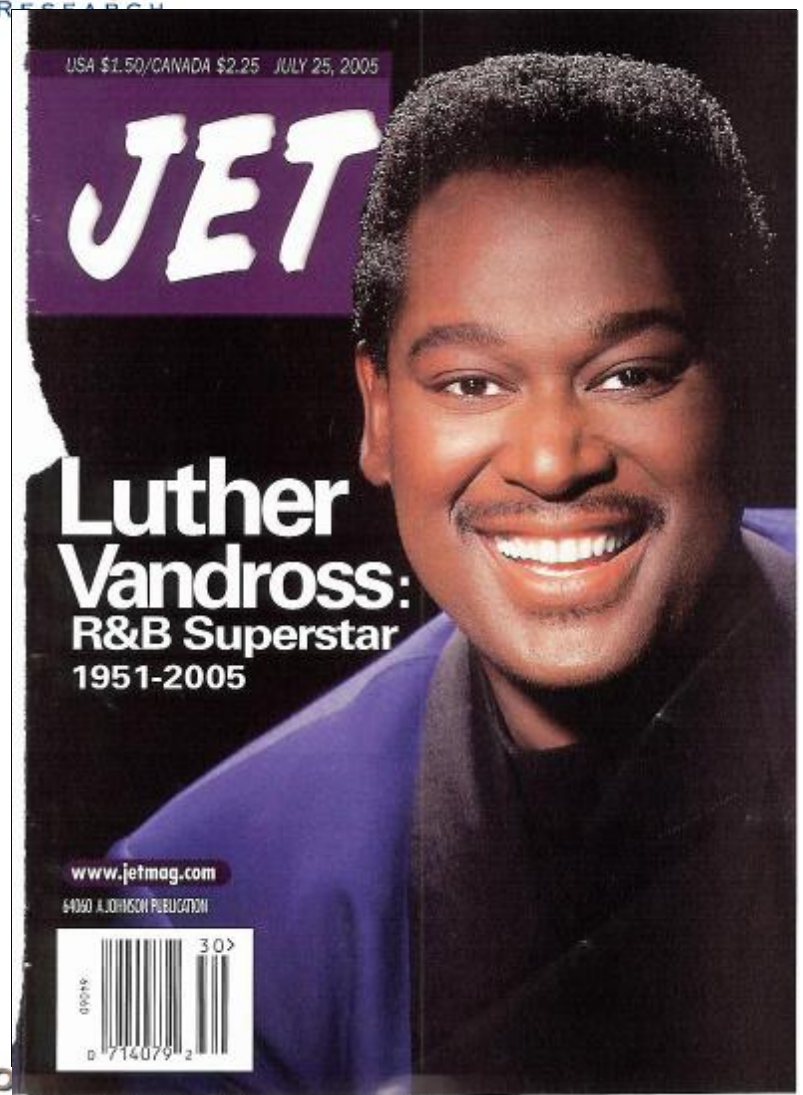
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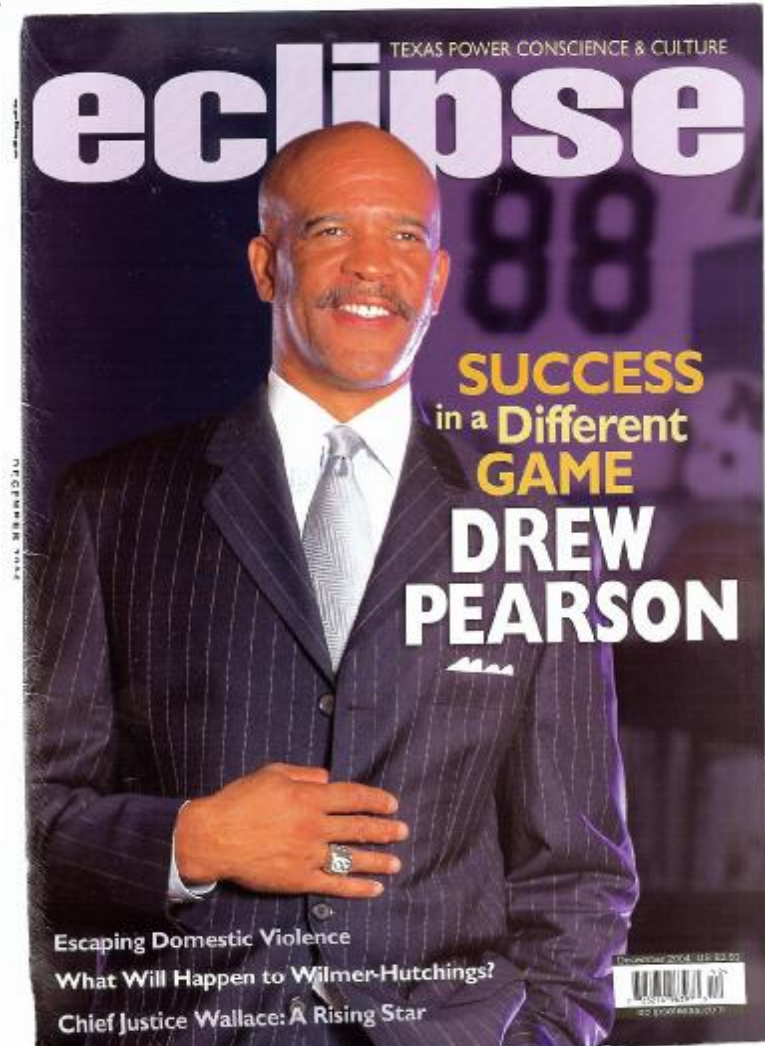


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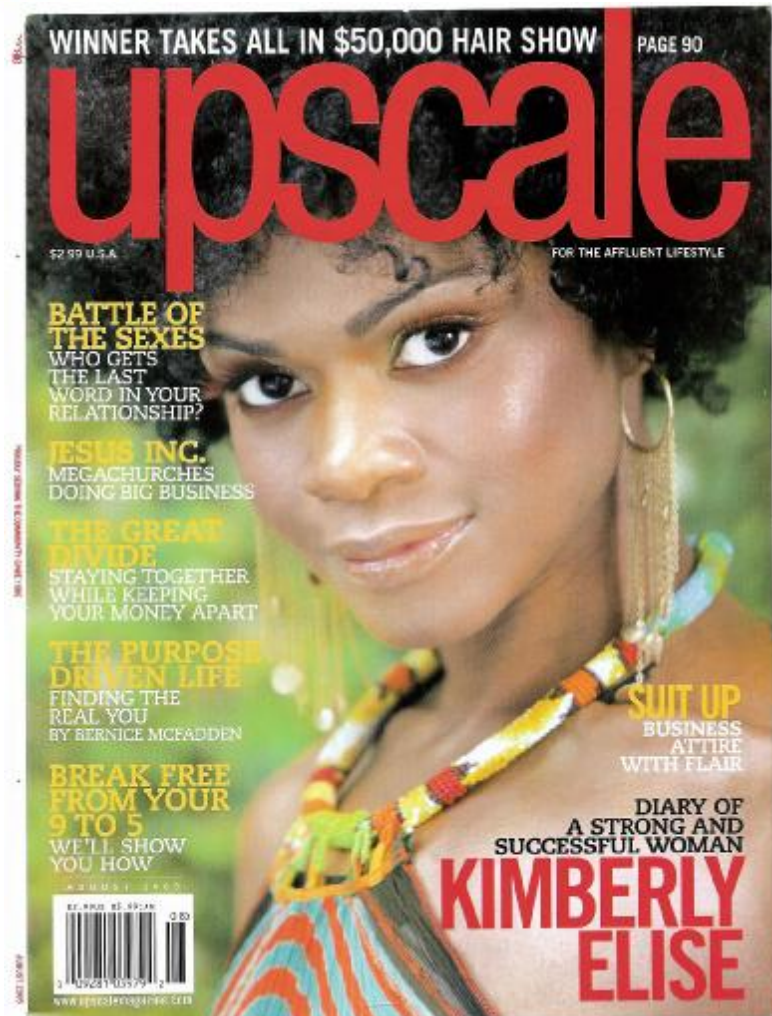
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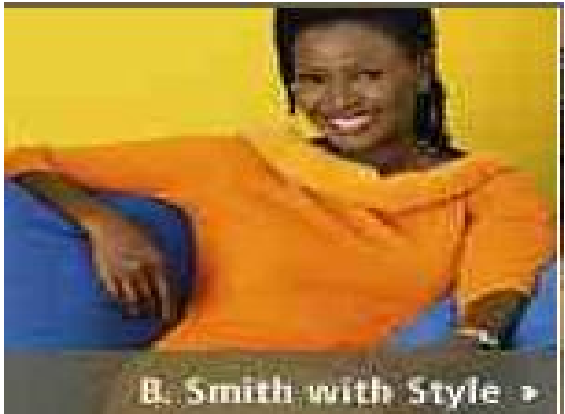
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THE
COSBY
SHOW



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Understanding The African American Consumer

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African-Americans Are Not All the Same

African-Americans make up almost 12% of the US population and although most share similarities in culture and history...

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Source: Scarborough USA+ Release 2, 2004.African-American

Adults 18+



“When African-Americans shop, their buying decisions are influenced by how a company treats them, involves itself in their communities and portrays them in advertising.”

-Summit Highlights, TargetMarketNews.com 7/7/05

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**African-American consumers are not
all the same...**

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**“According to the 2005 Yankelovich
MONITOR Multicultural Marketing
Study, the African-American market
can be broken down into 6 socio-
behaviorial segments”**

-Source: Target Market News.com 7/7/05

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Emulators (11% of African Americans)

- Are generally students, with a median age of 17, who identify with the young urban trendsetters within the African American culture, but see themselves as unique and independent.
- They are trendsetters whose purchases reflect a need to be unconventional.
- But they also have a need for social and emotional reassurance of brands that most reflect status or achievement.

-Source: Target Market News.com 7/7/05

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Seekers (19% of African Americans)

- share some characteristics with emulators, but are older and more disillusioned about life.
- They work part-time or are temporarily unemployed.
- They seek image and status brands that are popular among the culture.
- They are a median age of 40 and have a median income of \$18,000.

-Source: Target Market News.com 7/7/05

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Reachers (24% of African Americans)

- Are strivers who are working toward the American dream, but are not on the fast track.
- Often single parents who care for children and/or an elderly parent, they are stressed out, they want products and services that give them the biggest bang for the buck.
- They are a median age of 40 and have a median income of \$28,000.

-Source: Target Market News.com 7/7/05

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Attainers (27% of African Americans)

- Have a more defined sense of self and a solid plan for the future.**
- They seek and appreciate appropriate marketing and advertising that gives them gives them useful ideas and information about how to make their lives easier and better.**
- They have a median income of \$55,000 and are a median age of 40 years old.**

-Source: Target Market News.com 7/7/05

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Elites (5% of African Americans)

- Upwardly mobile African Americans who live and work in a more mainstream environment, but retain their cultural identity and allegiances.**
- Marketers must appeal to them through a broader range of campaigns and executions generally reserved for non-Hispanic whites, but can be personalized for them.**
- They are a median age of 46 and have a median income of \$113,000.**

-Source: Target Market News.com 7/7/05

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Conservers (14% of African-Americans)

- An older segment with a median age of 67 and income of \$38,000.
- This group is set in its ways and is slow to adapt to the dynamism of the African American culture.
- Mostly retired, their beliefs and values are deeply grounded in experience and wisdom that helped shapes their lives.
- Marketers must approach them in a straightforward manner.

-Source: Target Market News.com 7/7/05

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African-American Affluence.....Recap

- African-Americans are likely to spend more money on a variety of categories
- Areas of Opportunity Include:
 - Luxury Vehicle Owners & Buyers
 - Cellular/Wireless
 - Sports Apparel
 - Wine
- African-American consumers are not all the same. Like the general population, African-American consumer buying habits can vary from market to market.
- This presentation is only an introduction to the possibilities you have using Scarborough.



Does Anyone Have Any Success Stories On This Topic?

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African-American Affluence.....Recap

**Remember That When You
Are Using Scarborough, You
Are Limited Only by the
Depth of Your Creativity!**

-Jim Haynes
Sr. Training Service Consultant

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THANK YOU!

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